

DAILY NEWS UPDATES

MEHTA & MEHTA
Company Secretaries
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SEBI imposes fine of Rs. 5.25 crore on Cairn for Buyback fraud

- SEBI found that Cairn has misled public shareholders with its share buyback announcement in 2014 which was actually to induce public to trade in shares of Cairn.
- SEBI further said that such announcement was made without any intention to fulfill it and thereby violated provisions of Prevention of Fraudulent and Unfair Trading Practices & Buyback Regulations.
- SEBI noted that directors of Cairn were also involved in it and they have been charged with Rs. 15 lakh each whereas Cairn has been penalized with Rs.5.25 crores.



Government asks Whatsapp to withdraw new privacy update

- The new policy of Whatsapp violates various provisions of Indian Information Technology, Right of Privacy under Constitution of India and harms the rights & interests of Indian citizens.
- The Ministry of Electronics and Information Technology has given 7 days to Whatsapp to respond to its letter asking Whatsapp to withdraw new privacy update.
- If Whatsapp fails to do so, necessary action will be taken by the Ministry.



SEBI proposes single regulation for debt securities

- SEBI on 19th May proposed to merge listing rules pertaining to debt securities and non-convertible redeemable debentures into a single regulation.
- SEBI has also circulated a proposal to this effect for inviting public comments.
- This step is taken to ease compliance burden on listed entities.



Reliance Industries Ltd seeks NCLT nod for Future Group deal

- Reliance Industries Ltd (RIL) has already extended the deadline of closure of deal with Future Group due to legal battle amid Amazon & Future Group.
- RIL now has finally moved NCLT, Mumbai Bench, to seek permission to hold shareholders' meeting to consider and approve Rs. 25,000 crore deal signed last year between its subsidiary Reliance Retail and Future Group.

Indian companies seek SEBI's guidance for delisting NCDs

- Many Indian companies have approached SEBI for clarity on delisting procedure of Non-Convertible Debentures (NCDs).
- Indian companies said that Issue and Listing of Debt Securities Regulation is in reference to issuing debt securities and does not have clarity on delisting.
- This comes after many companies which earlier planning of expansion through NCDs, are now dropping the plan due to COVID-19 pandemic.

